Rs. 22·7 lakhs to Rs. 41·0 lakhs. During this period the only increase in taxation has been the raising of Income-tax rates, and the lightness of our taxation burden is shown by the fact that of the total income of Rs. 183. 17 lakhs estimated for 1119, only Rs. 75·12 lakhs is raised by direct or indirect taxation, the balance of Rs. 108·05 lakhs is obtained from sources other than taxation. The State is fortunately placed both in respect of the burden of taxation and its ability to increase expenditure on nation-building activities, during a difficult period.

A more detailed examination of the expenditure including capital expenditure and provision under Advances Recoverable will show that, as last year, this is a "nation-saving" budget in the wider sense including "nation-building" activities which are "nation-saving" also. Dealing first with defence measures under Civil Defence there is a provision of Rs. 377,596 under A. R. P. for 1119 against a Revised Estimate of Rs. 4,35,044 for 1118. A. R. P. has been developed during this year and the efficiency of the organisation increased. In view of the improved situation, however, retrenchment proposals are now under examination, and the actul expenditure in 1119 may be considerably below the budgetted figure.

The Special Guards, including the Special Coast Guards, performed valuable services during the year. In order to increase the efficiency of the force the number has been reduced and the allowance increased from Rs. 5 to Rs. 10. The provision under this head is Rs. 72,000 against Rs. 62,000 last year.

In response to popular demand a Cosmopolitan Company has been formed and attached to the Nayar Brigade as a preliminary to the formation of the regular State Forces, which is expected soon.

The reorganisation of the Police was continued during the year, and special steps were taken to improve conditions and prospects among the lower ranks by reallocating and revising grades, granting a war allowance to constables and a uniform allowance to constables in the third grade.

FOOD PROBLEM

Provision is made in the budget for Rs. 3·28 lakhs to meet the cost of the Supply Department, for Rs. 8·91 lakhs for the Hill Paddy Scheme, and under Advances Recoverable for Rs. 4,33,70,000 for the purchase of grains, and for Rs. 1·35 lakhs for the purchase of manure. This huge expenditure is proposed to be incurred on account of the grave food crisis through which the State has been passing. In my last budget speech, I described the difficulties with which Government had had to contend and the measures which they had taken to deal with the situation in the year 1117. In view of the vital importance of the problem to every one in the State I propose to give a brief account of how the food problem has been tackled during the very difficult year through which we have just passed.

At the beginning of the year we were depending on Madras for our rice quota, that Province having generously arranged to send us 3,600 tons a month, which, though insufficient for our needs, sufficed alone with some reserve stocks and the August September harvests, to avert starvation. Later on, however, Madras found itself unable to maintain the quota, no rice being sent in September and fluctuating amounts in succeeding months. Strenuous endeavours to obtain rice from other Provinces through the Government of India met with little success, and the State was faced with a grave food crisis. Every effort had been made to control prices and to ensure the equitable distribution of the food grains available through the ordinary trade channels, controlled by rules and orders under the Defence of India Rules, but with the increasing scarcity and fear of scarcity, profiteering increased, the black market grew, and it proved impossible to control prices effectively or to ensure equitable distribution throughout the State. Accordingly in December Government decided to eliminate the wholesale merchant, to purchase themselves all the paddy grown in the State not required by the cultivators for their consumption or for seeds and the grains imported from outside, and to distribute it through Government Fair Price Shops and licensed retailers to the public, who excepting paddy cultivators, would all be rationed on a card basis. Serious doubts were expressed in certain quarters whether such comprehensive control would work in the conditions obtaining in India. The schemes have not only worked well, but have, I make bold to say, saved many people in the State from starvation. I base this assertion on the unsatisfactory conditions which were obtaining just before grain purchase and rationing started, when the stock position was not nearly so serious as it became later, and also on actual statistics. Based on careful inquiries and on statistics it is estimated that the State's minimum actual import requirements of rice during this year were 71,345 tons. Our receipts from July 1942 to end of June 1943 were only 25,380 tons of rice and 4,094 tons of millets and wheat, together with 1,837 tons of gram and gram products, only part of which can be used in the ration, or only about 3/7ths of our minimum requirements. Our position was made worse on account of the heavy and untimely

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rain which fell in May and destroyed nearly half our hot weather crop depriving us of a considerable part of the stock of rice required to carry us through the monsoon period. With such a grave deficiency in supplies, the House can imagine what the fate of the poorer section of the population would have been, had complete control of purchase and distribution not been obtained. As it was, the ration had to be fixed at a very austere level.

I can assure Hon'ble Members that this serious short fall in imports was in no way due to lack of effort on the part of the Government Every possible endeavour was made to secure larger imports both by correspondence, largely telegraphic, and by personal appeals made at Food Conferences and discussions in Delhi, Bombay and Madras. Though the results of these efforts have been far below our expectations and our deserts, we have the satisfaction of knowing that the needs of the two States are now fully recognised and understood by the Government of India and the major administrations in India and that the Government of India and the Madras Government in particular have been sympathetic and have endeavoured to help us within the limitations imposed by the present largely uncontrolled food situation. We are grateful for this. A legitimate question then is—why is it that, when we are assured that there is an overall sufficiency of foodgrains in India, though not of rice, this State has had so small a proportion of its deficiency supplied, resulting in a most austere ration and considerable suffering? The answer in my opinion is that there is, generally, throughout India, insufficient Government control over foodstuffs, resulting in the absence of any effective all-over scheme, which will ensure that the foodgrains, which undoubtedly do exist, should be made available for consumption when required and equitably distributed throughout the country at reasonable prices Hoarding and profiteering are rampant in certain areas, causing not only unnecessary hardship to the poor in those areas, but by worsening the general situation affecting directly or indirectly conditions in the few badly deficit areas in which effective control is now exercised such as Travancore, Cochin and Bombay City. The only effective remedy for such a situation, we have found, is for Governments themselves to interfere, obtain physical control of stocks everywhere on a large scale, and distribute them on a rationed basis, at least in the deficit areas. Then only will effective control be obtained over the anti-social grain speculator and hoarder who are threatening to bring ruin to this country and whose activities are even now causing millions of people to suffer. We in Cochin feel that we are entitled to speak on this subject, because we have tried the method of Government control and proved that it will work and does achieve the results expected. If this is done and if effective steps are taken to see that surplus administrations themselves do not hoard, or as it is politely termed, build up reserves, but send every grain they can to the deficit areas, then our difficulties would be at an end and our people would once again be able to satisfy their hunger. Effective steps of this nature have been taken in many countries; this is no untrodden path. A long term planning committee is now sitting in New Delhi to make recommendations regarding food policy, and I hope that a plan may be devised which will put an end to the present chaotic situation in regard to prices supplies and distribution, and ensure that deficit areas get a fair share of the grain which we are assured does exist.

So far as the immediate future is concerned in the State, though our present stock position is still unsatisfactory, we hope, thanks to some stocks recently received from Karachi and Madras, and more expected both from Sind and the Eastern States, to carry on with the present scale of ration until the harvest begins in the middle of next month, when it may be possible to increase the quantity of rice now allowed. It is also my earnest hope that the Government of India will in the meantime be able to arrange for the import of adequate quotas into the State. Meanwhile, I would appeal to all Hon'ble Members to do all in their power to popularise the use of the grains other than rice included in the ration. We have to face the fact that, though the sum total of foodgrains available throughout India is sufficient, there is a shortage of rice, which will continue until some time after Burma is re-occupied. Hence we must accustom ourselves to a mixed diet, or else suffer from semi-starvation. Unpalatable though the new food may be at first, you at least have the satisfaction of knowing that, from a dietetic point of view, it is better for you than the pure rice diet to which you are accustomed. Government have and are taking action to popularise the grains in a variety of ways and hope for the full co-operation of the enlightened public.

A word has to be said about prices. It is the desire of Government to keep prices as low as possible, and with this object in view they have refrained from charging the heavy cost of the administration of the schemes to the consumer. The State is however receiving its supplies from such distant places as Kashmir, the Punjab, Baluchistan and Sind. In addition to heavy freight and insurance charges, prices generally are higher in North India than in the South, and show a tendency to rise to still higher levels. It is, therefore, necessary to adjust the price of

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rice and other foodgrains from time to time to avoid heavy and unjustifiable loss to Government. The public can rest assured that the prices charged will be as low as is possible consistent with a fair return to State cultivators and avoidance of heavy loss to Government in respect of imported food.

FOOD PRODUCTION SCHEMES

The Cochin Government have not contented themselves with assuming the role of a suppliant for food, they have done what they could, not only to ensure the equitable distribution of what is available at reasonable prices, as described above, but also to increase production and the nutritive value of the food available. The Food Production drive so vigorously conducted by the Hon'ble Minister has resulted in 11,249 acres including reserve forest areas being leased out for cultivation, no mean achievement in this densely populated State. Also at the suggestion of the European member of this House Government launched an ambitious scheme for the clearing, under Government control, of vast areas of forests and the planting of hill paddy and other food crops. In all 12,000 acres have been cleared or partially cleared, and up to now 5,375 acres have been sown with hill paddy, 2,000 acres planted with tapioca and 625 acres with other crops. The Superintendent hopes to plant up the remaining 4,000 acres in the near future. It was hoped to cultivate a greater extent of hill paddy this year, but sufficient seeds could not be obtained. The intention is greatly to increase the area under hill paddy next season, when the total area will be increased to 20,000 acres. Considerable difficulties were experienced in rushing through such large scale agricultural operations in so short a time involving the clear felling of large areas of forest in areas infected with malaria, at a time when, due to extensive recruitment for Assam and Ceylon labour units, little surplus labour fit for heavy manual work was available. In the circumstances, the progress made, between December when work started and July, must be considered satisfactory. Financially good results are expected; as against an estimated expenditure of Rs. 7·20 lakhs this year, and some expenditure on harvesting operations next year, a crop worth Rs. 13,10,000 is expected to be harvested, besides large receipts from the sale of timber. A large portion of the area is not suitable for permanent cultivation and arrangements are being made for reafforestation along with cultivation. Messrs. Walmesley and I. Raman Menon have rendered valuable service as Honorary Advisers.

Government have also endeavoured to increase the nutritive value of rice and its food content by insisting on undermilling and encouraging handpounding. A scheme is being evolved by the War Publicty Department, aided by a handsome donation from Mr. Alagappa Chettiar, to put into use throughout the State a large number of wooden hand-pounding machines which besides producing more nutritive rice, will give part time employment to many women.

Thus the Cochin Government in making their claim to a fair share of foodgrains available in India can assert that they have done everything within their power to improve the position in the State, by eliminating almost entirely the hoarder and the profiteer, by obtaining physical possession of most of the grain surplus to the cultivators' requirements and all imported grain, by distributing it equitably throughout the State, treating rich and poor alike and by increasing home production so far as is possible. We have done our part, and we feel that justice demands that the surplus and selfsufficient areas in other parts of India should see to it that we do not continue to suffer from scarcity as we have been for the past 15 months.

Before I leave the subject of food, I would like to take this opportunity to thank Sir C. P. Ramaswami Ayyar once more for his friendly and powerful co-operation extended again to Cochin, during this year, in tackling both this major problem and other problems, in respect of which the two States have worked together in friendly and fruitful harmony.

STANDARD CLOTH

Next only to food among the necessities of life comes cloth, and a provision of Rs. 2,20,000 for 1118 and Rs. 31,20,000 for 1119 has been made under "Advances Recoverable" for the purchase of Standard Cloth. Government had from the very beginning agreed to participate in the Standard Cloth Scheme of the Government of India and our first indent was sent so far back as December 8th 1942. The Government have now been informed that an allotment of 4,64,845 yards of Standard Cloth will be sent to the State very shortly, being our quota from May to July. It will be followed by a further quota of 31 lakhs yards to be delivered between August and January. Cloth will be distributed through Fair Price Shops at the rate of 3 yards per head for adults and 1·5 yards for children.

IRRIGATION SCHEMES

Closely connected with increased food production is the question of irrigation. The Government believe that a forward policy in irrigation is essential at this time and have acted

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